AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 45

Introduced by Assembly Member Dickinson (Principal coauthor: Assembly Member Skinner) (Coauthor: Assembly Member Bonta)

December 19, 2012

An act to amend Sections 81010, 82007, 82013, 82015, 82016, 84101, 84211, 84215, 84605, and 85201, 89519, 90003, 90005, and 91003 of, and to add Sections 84215.5-and, 86119, and 90009 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 45, as amended, Dickinson. Political Reform Act of 1974.

(1) The Political Reform Act of 1974 imposes various reporting and disclosure requirements for campaign contributions and expenditures. For purposes of the act, a "committee" is defined to include any person or combination of persons who receives contributions or makes independent expenditures totaling \$1,000 or more in a calendar year. The act also defines a "controlled committee" to include a committee that is controlled directly or indirectly by a candidate.

This bill would increase the monetary threshold of contributions or independent expenditures that qualify a person or combination of persons as a committee to \$2,000. The bill would also revise the definition of a "controlled committee" to specify that a committee controlled by a candidate who is elected to office is a controlled committee for the duration of the candidate's entire term of office, as specified.

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(1) The Political Reform Act of 1974 defines various terms for purposes of the reporting and disclosure requirements under the act.

The act defines the term "candidate" as including, in addition to other individuals, an officeholder who is the subject of a recall election. This definition also provides that an individual who becomes a candidate retains his or her status as a candidate until the time that this status is terminated.

This bill would revise this definition to provide that the term "candidate" includes any officeholder, regardless of whether he or she is the subject of a recall election, and would provide that a candidate retains that status until the time that he or she leaves office and the status is terminated.

The act defines a "committee" as any person or combination of persons who receives contributions or makes independent expenditures totaling \$1,000 or more in a calendar year.

This bill would increase the monetary threshold of contributions or independent expenditures that qualify a person or combination of persons as a committee to \$2,000. (PU 20130AB__004599INT) The bill also would make conforming changes.

(2) The act requires committees to file periodic campaign statements. The act requires that the campaign statements disclose certain information about contributors who have made aggregate contributions, as defined, of \$100 or more.

This bill would increase the monetary contribution threshold for requiring the disclosure of contributor information to \$250. The bill would require the Fair Political Practices Commission to adopt regulations establishing reporting thresholds, with a minimum of \$500 and a maximum of \$2,500, for disclosure of contributions and expenditures, as specified, for a committee primarily formed to support or oppose a statewide initiative or ballot measure, and would authorize the Commission to adopt regulations to adjust these thresholds in any odd-numbered year after 2013.

This bill would revise the definition of "contribution" to include a payment to a multipurpose organization, as defined, made by a person who knows or has reason to know that the payment or portion of the payment will be used to make a contribution or an independent expenditure. The bill imposes a presumption that a donor has reason to know that his or her payment will be used to make a contribution or an independent expenditure if the recipient organization has made aggregate contributions or independent expenditures of \$2,000 or more within the

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calendar year in which the payment is made or four preceding calendar years or if the donor payment is \$50,000 or more, is made within the 6 months preceding the election, and the multipurpose organization makes a contribution or an independent expenditure of \$50,000 or more within the 6 months prior to the election.

(3) The act defines as "surplus campaign funds" as campaign funds that are under the control of a former candidate or former elected officer as of the date of leaving elective office or the end of the postelection reporting period following the defeat of the candidate for elective office, whichever occurs last. The act restricts the purposes for which surplus campaign funds may be expended.

This bill would increase the time at which campaign funds become surplus campaign funds by 90 days following either the officer leaving elective office or the end of the postelection reporting period following the defeat of a candidate, whichever occurs last.

(4)

(3) The act imposes specified duties on a filing officer with respect to reports and statements filed with that filing officer, including supplying the necessary forms and manuals and determining whether required documents have been filed and conform on their face with the requirements of the act.

This bill would additionally require a filing officer to immediately affix a date stamp to each statement of economic interests that the officer receives to reflect the date of receipt. By imposing additional duties on local officials, this bill would impose a state-mandated local program.

(5)

(4) The act requires that certain campaign statements be filed with the Secretary of State online or electronically. The act requires that persons filing campaign statements online or electronically also continue to file the statements in a paper format.

This bill would repeal the requirement that a person file a paper copy of a campaign statement that is filed with the Secretary of State online or electronically, except during such times as the online or electronic system operated by the Secretary of State is malfunctioning, unavailable, or otherwise not capable of receiving online or electronically filed campaign statements.

(6)

(5) The act is administered and enforced by the Fair Political Practices Commission. The act authorizes the Commission, as well as the Franchise Tax Board, to perform discretionary investigations and audits

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with respect to campaign and lobbying reports and statements that are filed with the Secretary of State. The act prohibits members, employees, and agents of the Franchise Tax Board from divulging records, documents, or information received pursuant to audit activities authorized under the act. The act also authorizes any person residing in the jurisdiction to sue for injunctive relief to prevent violations or compel compliance with the act

This bill would authorize the Commission to seek injunctive relief in a superior court to compel disclosure consistent with the act, and would require a court to grant expedited review of an action filed pursuant to this provision, as specified.

(6) The act requires a lobbying firm and a lobbyist employer, as defined, to register and file periodic activity reports with the Secretary of State disclosing specified information. The act requires lobbyists, lobbying firms, and lobbyist employers to periodically report activity expenses, as defined.

This bill would require the Secretary of State to make campaign and lobbying statements these registration documents and reports that are filed with the Secretary of State available to the Commission, upon request by the Commission. This bill would specify that the Commission may perform audits prior to the date of the election and prior to the date that a statement or report is required to be filed. The bill would prohibit the members, employees, and agents of the Commission from divulging records, documents, or information received in the course of the audits, as specified. The bill would authorize a person to challenge an audit by the Commission or any order resulting from an audit by seeking a writ of mandate, which would take priority over all other civil matters. The bill would specify that the Commission is authorized to seek an injunction to prevent a violation of or compel compliance with the act.

(7) The act makes a knowing or willful violation of its provisions a misdemeanor and subjects offenders to criminal penalties.

By expanding the scope of an existing crime, this bill would impose a state-mandated local program.

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs

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so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(9) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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The people of the State of California do enact as follows:

- 1 SECTION 1. Section 81010 of the Government Code is 2 amended to read:
- 81010. With respect to reports and statements filed with him or her pursuant to this title, the filing officer shall do all of the following:
 - (a) Supply the necessary forms and manuals prescribed by the Commission.
 - (b) Immediately affix a date stamp to each statement of economic interests filed pursuant to Chapter 7 (commencing with Section 87100) to reflect the date of receipt by the filing officer.
 - (c) Determine whether required documents have been filed and, if so, whether they conform on their face with the requirements of this title.
 - (d) Notify promptly all persons and known committees who have failed to file a report or statement in the form and at the time required by this title.
- 17 (e) Report apparent violations of this title to the appropriate 18 agencies.
 - (f) Compile and maintain a current list of all reports and statements filed with this office.
- 21 SEC. 2. Section 82007 of the Government Code is amended to 22 read:
- 82007. "Candidate" means an individual who is listed on the ballot, or who has qualified to have write-in votes on his or her
- 25 behalf counted by election officials, for nomination for or election
- 26 to any an elective office, or who receives a contribution or makes
- to any an elective office, of who receives a contribution of makes
- 27 an expenditure or gives his or her consent for any other person to
- 28 receive a contribution or make an expenditure with a view to

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- 1 bringing about his or her nomination or election to any an elective
- 2 office, whether or not the specific elective office for which he or
- 3 she will seek nomination or election is known at the time the
- 4 contribution is received or the expenditure is made and whether
- 5 or not he or she has announced his or her candidacy or filed a
- 6 declaration of candidacy at-such that time. "Candidate" also
- 7 includes any an officeholder who is the subject of a recall election.
- 8 An individual who becomes a candidate shall retain his or her
- 9 status as a candidate until-such the time-as that he or she leaves
- 10 office and his or her status as a candidate is terminated pursuant
- 11 to Section 84214. "Candidate" does not include any a person within
- the meaning of Section 301(b) of the Federal Election Campaign
- 13 Act of 1971.
- 14 SEC. 2.

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- 15 SEC. 3. Section 82013 of the Government Code is amended to read:
 - 82013. "Committee" means any person or combination of persons who directly or indirectly does any of the following:
 - (a) Receives contributions totaling two thousand dollars (\$2,000) or more in a calendar year.
 - (b) Makes independent expenditures totaling two thousand dollars (\$2,000) or more in a calendar year; or.
 - (c) Makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to or at the behest of candidates or committees.
 - A person or combination of persons that becomes a committee shall retain its status as a committee until such time as that status is terminated pursuant to Section 84214.
 - SEC. 3.
 - SEC. 4. Section 82015 of the Government Code is amended to read:
 - 82015. (a) "Contribution" means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received, unless it is clear from the surrounding circumstances that it is not made for political purposes.
 - (b) (1) A payment made at the behest of a committee as defined in subdivision (a) of Section 82013 is a contribution to the committee unless full and adequate consideration is received from the committee for making the payment.

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(2) A payment made at the behest of a candidate is a contribution to the candidate unless the criteria in either subparagraph (A) or (B) are satisfied:

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- (A) Full and adequate consideration is received from the candidate.
- (B) It is clear from the surrounding circumstances that the payment was made for purposes unrelated to his or her candidacy for elective office. The following types of payments are presumed to be for purposes unrelated to a candidate's candidacy for elective office:
- (i) A payment made principally for personal purposes, in which case it may be considered a gift under the provisions of Section 82028. Payments that are otherwise subject to the limits of Section 86203 are presumed to be principally for personal purposes.
- (ii) A payment made by a state, local, or federal governmental agency or by a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- (iii) A payment not covered by clause (i), made principally for legislative, governmental, or charitable purposes, in which case it is neither a gift nor a contribution. However, payments of this type that are made at the behest of a candidate who is an elected officer shall be reported within 30 days following the date on which the payment or payments equal or exceed five thousand dollars (\$5,000) in the aggregate from the same source in the same calendar year in which they are made. The report shall be filed by the elected officer with the elected officer's agency and shall be a public record subject to inspection and copying pursuant to subdivision (a) of Section 81008. The report shall contain the following information: name of payer, address of payer, amount of the payment, date or dates the payment or payments were made, the name and address of the payee, a brief description of the goods or services provided or purchased, if any, and a description of the specific purpose or event for which the payment or payments were made. Once the five-thousand-dollar (\$5,000) aggregate threshold from a single source has been reached for a calendar year, all payments for the calendar year made by that source must be disclosed within 30 days after the date the threshold was reached or the payment was made, whichever occurs later. Within 30 days after receipt of the report, state agencies shall forward a copy of these reports to the Fair Political Practices Commission, and local

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agencies shall forward a copy of these reports to the officer with whom elected officers of that agency file their campaign statements.

- (C) For purposes of subparagraph (B), a payment is made for purposes related to a candidate's candidacy for elective office if all or a portion of the payment is used for election-related activities. For purposes of this subparagraph, "election-related activities" shall include, but are not limited to, the following:
- (i) Communications that contain express advocacy of the nomination or election of the candidate or the defeat of his or her opponent.
- (ii) Communications that contain reference to the candidate's candidacy for elective office, the candidate's election campaign, or the candidate's or his or her opponent's qualifications for elective office.
- (iii) Solicitation of contributions to the candidate or to third persons for use in support of the candidate or in opposition to his or her opponent.
- (iv) Arranging, coordinating, developing, writing, distributing, preparing, or planning of any communication or activity described in clause (i), (ii), or (iii).
- (v) Recruiting or coordinating campaign activities of campaign volunteers on behalf of the candidate.
 - (vi) Preparing campaign budgets.
 - (vii) Preparing campaign finance disclosure statements.
- (viii) Communications directed to voters or potential voters as part of activities encouraging or assisting persons to vote if the communication contains express advocacy of the nomination or election of the candidate or the defeat of his or her opponent.
- (D) A contribution made at the behest of a candidate for a different candidate or to a committee not controlled by the behesting candidate is not a contribution to the behesting candidate.
- (3) A payment made at the behest of a member of the Public Utilities Commission, made principally for legislative, governmental, or charitable purposes, is not a contribution. However, payments of this type shall be reported within 30 days
- following the date on which the payment or payments equal or exceed five thousand dollars (\$5,000) in the aggregate from the
- 39 same source in the same calendar year in which they are made.
- 40 The report shall be filed by the member with the Public Utilities

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Commission and shall be a public record subject to inspection and copying pursuant to subdivision (a) of Section 81008. The report shall contain the following information: name of payer, address of payer, amount of the payment, date or dates the payment or payments were made, the name and address of the payee, a brief description of the goods or services provided or purchased, if any, and a description of the specific purpose or event for which the payment or payments were made. Once the five-thousand-dollar (\$5,000) aggregate threshold from a single source has been reached for a calendar year, all payments for the calendar year made by that source must be disclosed within 30 days after the date the threshold was reached or the payment was made, whichever occurs later. Within 30 days after receipt of the report, the Public Utilities Commission shall forward a copy of these reports to the Fair Political Practices Commission.

- (c) "Contribution" includes the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events; the candidate's own money or property used on behalf of his or her candidacy other than personal funds of the candidate used to pay either a filing fee for a declaration of candidacy or a candidate statement prepared pursuant to Section 13307 of the Elections Code; the granting of discounts or rebates not extended to the public generally or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; the payment of compensation by any person for the personal services or expenses of any other person if the services are rendered or expenses incurred on behalf of a candidate or committee without payment of full and adequate consideration.
- (d) "Contribution" further includes any transfer of anything of value received by a committee from another committee, unless full and adequate consideration is received.
- (e) "Contribution" does not include amounts received pursuant to an enforceable promise to the extent those amounts have been previously reported as a contribution. However, the fact that those amounts have been received shall be indicated in the appropriate campaign statement.
- (f) "Contribution" does not include a payment made by an occupant of a home or office for costs related to any meeting or fundraising event held in the occupant's home or office if the costs

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1 for the meeting or fundraising event are five hundred dollars (\$500) 2 or less.

- (g) Notwithstanding the foregoing definition of "contribution," the term does not include volunteer personal services or payments made by any individual for his or her own travel expenses if the payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid to him or her.
- (h) "Contribution" further includes the payment of public moneys by a state or local governmental agency for a communication to the public that satisfies both of the following:
- (1) The communication expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage, or defeat of a clearly identified measure, or, taken as a whole and in context, unambiguously urges a particular result in an election.
- (2) The communication is made at the behest of the affected candidate or committee.
- (i) (1) "Contribution" further includes a payment made to a multipurpose organization if the donor knows or has reason to know that the payment, or part of the payment, will be used to make a contribution or an independent expenditure.
- (2) For purposes of paragraph (1), a donor knows that a payment to a multipurpose organization will be used to make a contribution or an independent expenditure if the donor specifies that to be the purpose for which the payment must be used or if the donor makes the payment in response to a message or solicitation indicating the multipurpose organization's intent to make a contribution or an independent expenditure.
- (3) For purposes of paragraph (1), a donor is presumed to have reason to know that a payment to a multipurpose organization will be used to make a contribution or an independent expenditure if the recipient multipurpose organization has made aggregate contributions or independent expenditures of two thousand dollars (\$2,000) or more during the calendar year in which the payment is made or during any of the four preceding calendar years.
- (4) For purposes of paragraph (1), a donor who makes an aggregate payment of fifty thousand dollars (\$50,000) or more to a multipurpose organization within the six months prior to an election is presumed to have reason to know that the aggregate payments will be used by the multipurpose organization to make

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a contribution or an independent expenditure if the multipurpose organization makes an aggregate contribution or independent expenditure of fifty thousand dollars (\$50,000) or more to support or oppose a candidate or ballot measure within the six months prior to that election.

- (5) A donor who makes a contribution described in paragraph (1) shall be identified and reported by the multipurpose organization receiving the contribution in accordance with regulations adopted by the Commission.
- (6) For purposes of this subdivision, "multipurpose organization" means a nonprofit organization, a federal or out-of-state political action committee, or a local club focusing on educational or social activities.
- SEC. 4. Section 82016 of the Government Code is amended to read:

82016. (a) "Controlled committee" means a committee that is controlled directly or indirectly by a candidate or state measure proponent or that acts jointly with a candidate, controlled committee, or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee. A committee controlled by a candidate elected to office is a controlled committee within the meaning of this section for the duration of the candidate's entire term of office.

- (b) Notwithstanding subdivision (a), a political party committee, as defined in Section 85205, is not a controlled committee.
- SEC. 5. Section 84101 of the Government Code is amended to read:
- 84101. (a) A committee that is a committee by virtue of subdivision (a) of Section 82013 shall file a statement of organization. The committee shall file the original of the statement of organization with the Secretary of State and shall also file a copy of the statement of organization with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215. The original and copy of the statement of organization shall be filed within 10 days after the committee has qualified as a committee. The Secretary of State shall assign a number to each committee that

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files a statement of organization and shall notify the committee of the number. The Secretary of State shall send a copy of statements filed pursuant to this section to the county elections official of each county that he or she deems appropriate. A county elections official who receives a copy of a statement of organization from the Secretary of State pursuant to this section shall send a copy of the statement to the clerk of each city in the county that he or she deems appropriate.

- (b) In addition to filing the statement of organization as required by subdivision (a), if a committee qualifies as a committee under subdivision (a) of Section 82013 before the date of an election in connection with which the committee is required to file preelection statements, but after the closing date of the last campaign statement required to be filed before the election pursuant to Section 84200.7, 84200.8, or 84200.9, the committee shall file, by facsimile transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee, the information required to be reported in the statement of organization. The information required by this subdivision shall be filed with the filing officer with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.
- (c) If an independent expenditure committee qualifies as a committee pursuant to subdivision (a) of Section 82013 during the time period described in Section 82036.5 and makes independent expenditures of one thousand dollars (\$1,000) or more to support or oppose a candidate or candidates for office, the committee shall file, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee, the information required to be reported in the statement of organization. The information required by this section shall be filed with the filing officer with whom the committee is required to file the original of its campaign reports pursuant to Section 84215, and shall be filed at all locations required for the candidate or candidates supported or opposed by the independent expenditures. The filings required by this section are in addition to filings that may be required by Sections 84203.5 and 84204.
- (d) For purposes of this section, in calculating whether two thousand dollars (\$2,000) in contributions has been received, payments for a filing fee or for a statement of qualifications to

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appear in a sample ballot shall not be included if these payments
have been made from the candidate's personal funds.

- SEC. 6. Section 84211 of the Government Code is amended to read:
- 84211. Each campaign statement required by this article shall contain all of the following information:
- (a) The total amount of contributions received during the period covered by the campaign statement and the total cumulative amount of contributions received.
- (b) The total amount of expenditures made during the period covered by the campaign statement and the total cumulative amount of expenditures made.
- (c) The total amount of contributions received during the period covered by the campaign statement from persons who have given a cumulative amount of two hundred fifty dollars (\$250) or more.
- (d) The total amount of contributions received during the period covered by the campaign statement from persons who have given a cumulative amount of less than two hundred fifty dollars (\$250).
- (e) The balance of cash and cash equivalents on hand at the beginning and the end of the period covered by the campaign statement.
- (f) If the cumulative amount of contributions (including loans) received from a person is two hundred fifty dollars (\$250) or more and a contribution or loan has been received from that person during the period covered by the campaign statement, all of the following:
 - (1) His or her full name.

- (2) His or her street address.
- (3) His or her occupation.
- (4) The name of his or her employer, or, if self-employed, the name of the business.
- (5) The date and amount received for each contribution received during the period covered by the campaign statement and, if the contribution is a loan, the interest rate for the loan.
 - (6) The cumulative amount of contributions.
- (g) If the cumulative amount of loans received from or made to a person is two hundred fifty dollars (\$250) or more, and a loan has been received from or made to a person during the period covered by the campaign statement, or is outstanding during the period covered by the campaign statement, all of the following:

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- 1 (1) His or her full name.
- 2 (2) His or her street address.
- 3 (3) His or her occupation.

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- 4 (4) The name of his or her employer, or, if self-employed, the name of the business.
 - (5) The original date and amount of each loan.
 - (6) The due date and interest rate of the loan.
- 8 (7) The cumulative payment made or received to date at the end 9 of the reporting period.
 - (8) The balance outstanding at the end of the reporting period.
 - (9) The cumulative amount of contributions.
 - (h) For each person, other than the filer, who is directly, indirectly, or contingently liable for repayment of a loan received or outstanding during the period covered by the campaign statement, all of the following:
 - (1) His or her full name.
 - (2) His or her street address.
- 18 (3) His or her occupation.
 - (4) The name of his or her employer, or, if self-employed, the name of the business.
 - (5) The amount of his or her maximum liability outstanding.
 - (i) The total amount of expenditures made during the period covered by the campaign statement to persons who have received one hundred dollars (\$100) or more.
 - (j) The total amount of expenditures made during the period covered by the campaign statement to persons who have received less than one hundred dollars (\$100).
 - (k) For each person to whom an expenditure of one hundred dollars (\$100) or more has been made during the period covered by the campaign statement, all of the following:
 - (1) His or her full name.
- 32 (2) His or her street address.
 - (3) The amount of each expenditure.
 - (4) A brief description of the consideration for which each expenditure was made.
 - (5) In the case of an expenditure which that is a contribution to a candidate, elected officer, or committee or an independent expenditure to support or oppose a candidate or measure, in addition to the information required in paragraphs (1) to (4) above,
- 40 *inclusive*, the date of the contribution or independent expenditure;

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the cumulative amount of contributions made to a candidate, elected officer, or committee, or the cumulative amount of independent expenditures made relative to a candidate or measure; the full name of the candidate, and the office and district for which he or she seeks nomination or election, or the number or letter of the measure; and the jurisdiction in which the measure or candidate is voted upon.

(6) The information required in paragraphs (1) to (4), inclusive, for each person, if different from the payee, who has provided consideration for an expenditure of five hundred dollars (\$500) or more during the period covered by the campaign statement.

For purposes of subdivisions (i), (j), and (k) only, the terms term "expenditure" or "expenditures"—mean means any individual payment or accrued expense, unless it is clear from surrounding circumstances that a series of payments or accrued expenses are for a single service or product.

- (*l*) In the case of a controlled committee, an official committee of a political party, or an organization formed or existing primarily for political purposes, the amount and source of any miscellaneous receipt.
- (m) If a committee is listed pursuant to subdivision (f), (g), (h), (k), (l), or-(q) (p), the number assigned to the committee by the Secretary of State shall be listed, or, if no number has been assigned, the full name and street address of the treasurer of the committee.
- (n) In a campaign statement filed by a candidate who is a candidate in both a state primary and general election, his or her controlled committee, or a committee primarily formed to support or oppose such a candidate, the total amount of contributions received and the total amount of expenditures made for the period January 1 through June 30 and the total amount of contributions received and expenditures made for the period July 1 through December 31.
- (o) The full name, residential or business address, and telephone number of the filer, or, in the case of a campaign statement filed by a committee defined by subdivision (a) of Section 82013, the name, street address, and telephone number of the committee and of the committee treasurer. In the case of a committee defined by subdivision (b) or (c) of Section 82013, the name that the filer uses on campaign statements shall be the name by which the filer is

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identified for other legal purposes or any name by which the filer is commonly known to the public.

- (p) If the campaign statement is filed by a candidate, the name, street address, and treasurer of any committee of which he or she has knowledge which has received contributions or made expenditures on behalf of his or her candidacy and whether the committee is controlled by the candidate.
- (q) A contribution need not be reported nor shall it be deemed accepted if it is not cashed, negotiated, or deposited and is returned to the contributor before the closing date of the campaign statement on which the contribution would otherwise be reported.
- (r) If a committee primarily formed for the qualification or support of, or opposition to, an initiative or ballot measure is required to report an expenditure to a business entity pursuant to subdivision (k) and 50 percent or more of the business entity is owned by a candidate or person controlling the committee, by an officer or employee of the committee, or by a spouse of any of these individuals, the committee's campaign statement shall also contain, in addition to the information required by subdivision (k), that person's name, the relationship of that person to the committee, and a description of that person's ownership interest or position with the business entity.
- (s) (1) If a committee primarily formed for the qualification or support of, or opposition to, an initiative or ballot measure is required to report an expenditure to a business entity pursuant to subdivision (k), and a candidate or person controlling the committee, an officer or employee of the committee, or a spouse of any of these individuals is an officer, partner, consultant, or employee of the business entity, the committee's campaign statement shall also contain, in addition to the information required by subdivision (k), that person's name, the relationship of that person to the committee, and a description of that person's ownership interest or position with the business entity.
- (2) For a committee primarily formed to support or oppose a statewide initiative or ballot measure, the reporting thresholds for disclosure of contributions, including loans, and expenditures specified in subdivisions (c), (d), (f), (g), (i), (j), and (k) shall be established in regulations adopted by the Commission and may be adjusted in regulations adopted by the Commission in any odd-numbered year after 2013. The thresholds established pursuant

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to this paragraph shall be not less than five hundred dollars (\$500) and not greater than two thousand five hundred dollars (\$2,500).

- (t) If the campaign statement is filed by a committee, as defined in subdivision (b) or (c) of Section 82013, information sufficient to identify the nature and interests of the filer, including:
- (1) If the filer is an individual, the name and address of the filer's employer, if any, or his or her principal place of business if the filer is self-employed, and a description of the business activity in which the filer or his or her employer is engaged.
- (2) If the filer is a business entity, a description of the business activity in which it is engaged.
- (3) If the filer is an industry, trade, or professional association, a description of the industry, trade, or profession—which that it represents, including a specific description of any portion or faction of the industry, trade, or profession—which that the association exclusively or primarily represents.
- (4) If the filer is not an individual, business entity, or industry, trade, or professional association, a statement of the person's nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest which that the person principally represents or from which its membership or financial support is principally derived.
- SEC. 7. Section 84215 of the Government Code is amended to read:
- 84215. All candidates and elected officers and their controlled committees, except as provided in subdivisions (d) and (e), shall file one copy of the campaign statements required by Section 84200 with the elections official of the county in which the candidate or elected official is domiciled, as defined in subdivision (b) of Section 349 of the Elections Code. In addition, campaign statements shall be filed at the following places:
- (a) Statewide elected officers, including members of the State Board of Equalization; Members of the Legislature; Supreme Court justices, court of appeal justices, and superior court judges; candidates for those offices and their controlled committees; committees formed or existing primarily to support or oppose these candidates, elected officers, justices and judges, or statewide measures, or the qualification of state ballot measures; and all state general purpose committees and filers not specified in subdivisions (b) to (e), inclusive, shall file a campaign statement by online or

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electronic means, as specified in Section 84605, and, if not required to file the statement by online or electronic means, shall file the original and one copy of the campaign statement in paper format with the Secretary of State.

- (b) Elected officers in jurisdictions other than legislative districts, State Board of Equalization districts, or appellate court districts that contain parts of two or more counties, candidates for these offices, their controlled committees, and committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one of these jurisdictions shall file the original and one copy with the elections official of the county with the largest number of registered voters in the jurisdiction.
- (c) County elected officers, candidates for these offices, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in any number of jurisdictions within one county, other than those specified in subdivision (d), and county general purpose committees shall file the original and one copy with the elections official of the county.
- (d) City elected officers, candidates for city office, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one city, and city general purpose committees shall file the original and one copy with the clerk of the city and are not required to file with the local elections official of the county in which they are domiciled.
- (e) Elected members of the Board of Administration of the Public Employees' Retirement System, elected members of the Teachers' Retirement Board, candidates for these offices, their controlled committees, and committees formed or existing primarily to support or oppose these candidates or elected members shall file the original and one copy with the Secretary of State, and a copy shall be filed at the relevant board's office in Sacramento. These elected officers, candidates, and committees need not file with the elections official of the county in which they are domiciled.
- (f) Notwithstanding any other provision of this section, a committee, candidate, or elected officer is not required to file more than the original and one copy, or one copy, of a campaign

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statement with any one county elections official or city clerk or with the Secretary of State.

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- (g) If a committee is required to file campaign statements required by Section 84200 or 84200.5 in places designated in subdivisions (a) to (d), inclusive, it shall continue to file these statements in those places, in addition to any other places required by this title, until the end of the calendar year.
- SEC. 8. Section 84215.5 is added to the Government Code, to read:
- 84215.5. A statement or report filed with the Secretary of State pursuant to this chapter shall be made available to the Commission by the Secretary of State, upon request of the Commission.
- SEC. 9. Section 84605 of the Government Code is amended to read:
- 84605. (a) The following persons shall file online or electronically with the Secretary of State:
- (1) Any candidate, including superior court, appellate court, and Supreme Court candidates and officeholders, committee, or other persons who are required, pursuant to Chapter 4 (commencing with Section 84100), to file statements, reports, or other documents in connection with a state elective office or state measure, provided that the total cumulative reportable amount of contributions received, expenditures made, loans made, or loans received is twenty-five thousand dollars (\$25,000) or more. In determining the cumulative reportable amount, all controlled committees, as defined by Section 82016, shall be included. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that is first subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the committee is first subject to this title. A committee, as defined in subdivision (c) of Section 82013, shall file online or electronically if it makes contributions of twenty-five thousand dollars (\$25,000) or more in a calendar year.
- (2) Any general purpose committees, as defined in Section 82027.5, including the general purpose committees of political parties, and small contributor committees, as defined in Section 85203, that cumulatively receive contributions or make expenditures totaling twenty-five thousand dollars (\$25,000) or more to support or oppose candidates for any elective state office

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or state measure. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the committee is first subject to this title.

- (3) Any slate mailer organization with cumulative reportable payments received or made for the purposes of producing slate mailers of twenty-five thousand dollars (\$25,000) or more. For a slate mailer organization subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a slate mailer organization that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the organization is first subject to this title.
- (4) Any lobbyist, lobbying firm, lobbyist employer, or other persons required, pursuant to Chapter 6 (commencing with Section 86100), to file statements, reports, or other documents, provided that the total amount of any category of reportable payments, expenses, contributions, gifts, or other items is two thousand five hundred dollars (\$2,500) or more in a calendar quarter.
- (b) The Secretary of State shall also disclose on the Internet any late contribution or late independent expenditure report, as defined by Sections 84203 and 84204, respectively, not covered by paragraph (1), (2), or (3) of subdivision (a) or any other provision of law.
- (c) Committees and other persons that are not required to file online or electronically by this section may do so voluntarily.
- (d) Once a person or entity is required to file online or electronically, subject to subdivision (a) or (c), the person or entity shall be required to file all subsequent reports online or electronically.
- (e) It shall be presumed that online or electronic filers file under penalty of perjury.
- (f) Persons filing online or electronically shall not be required to continue to file required disclosure statements and reports in paper format with the Secretary of State. However, an original paper copy shall be filed with the Secretary of State during any period of time for which the online or electronic system operated by the Secretary of State is malfunctioning, unavailable, or

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otherwise not capable of receiving online or electronically filed disclosure statements and reports.

- (g) The Secretary of State shall maintain at all times a secured, official version of all original online and electronically filed statements and reports required by this chapter. Upon determination by the Secretary of State, pursuant to Section 84606, that the system is operating securely and effectively, this online or electronic version shall be the official version for audit and other legal purposes.
- (h) Except for statements related to a local elective office or a local ballot measure filed by a candidate for local elective office who is also a candidate for elective state office, a copy of a statement, report, or other document filed by online or electronic means with the Secretary of State shall not be filed with a local filing officer.
- SEC. 10. Section 85201 of the Government Code is amended to read:
- 85201. (a) Upon the filing of the statement of intention pursuant to Section 85200, the individual shall establish one campaign contribution account at an office of a financial institution located in the state.
- (b) As required by subdivision (f) of Section 84102, a candidate who raises contributions of two thousand dollars (\$2,000) or more in a calendar year shall set forth the name and address of the financial institution where the candidate has established a campaign contribution account and the account number on the committee statement of organization filed pursuant to Sections 84101 and 84103.
- (c) All contributions or loans made to the candidate, to a person on behalf of the candidate, or to the candidate's controlled committee shall be deposited in the account.
- (d) Any personal funds which will be utilized to promote the election of the candidate shall be deposited in the account prior to expenditure.
 - (e) All campaign expenditures shall be made from the account.
- (f) Subdivisions (d) and (e) do not apply to a candidate's payment for a filing fee and statement of qualifications from his or her personal funds.
- 39 (g) This section does not apply to a candidate who will not 40 receive contributions and who makes expenditures from personal

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1 funds of less than two thousand dollars (\$2,000) in a calendar year 2 to support his or her candidacy. For purposes of this section, a 3 candidate's payment for a filing fee and statement of qualifications 4 shall not be included in calculating the total expenditures made.

- (h) An individual who raises contributions from others for his or her campaign, but who raises or spends less than two thousand dollars (\$2,000) in a calendar year, and does not qualify as a committee under Section 82013, shall establish a campaign contribution account pursuant to subdivision (a), but is not required to file a committee statement of organization pursuant to Section 84101 or other statement of bank account information.
- SEC. 11. Section 86119 is added to the Government Code, to read:
- 86119. A registration or report filed with the Secretary of State pursuant to this chapter shall be made available to the Commission by the Secretary of State, upon request of the Commission.
- SEC. 12. Section 89519 of the Government Code is amended to read:
- 89519. (a) Upon the 90th day after leaving any elected office, or the 90th day following the end of the postelection reporting period following the defeat of a candidate for elective office, whichever occurs last, campaign funds under the control of the former candidate or elected officer shall be considered surplus campaign funds and shall be disclosed pursuant to Chapter 4 (commencing with Section 84100).
- (b) Surplus campaign funds shall be used only for the following purposes:
- (1) The payment of outstanding campaign debts or elected officer's expenses.
 - (2) The repayment of contributions.
- (3) Donations to any bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, where no substantial part of the proceeds will have a material financial effect on the former candidate or elected officer, any member of his or her immediate family, or his or her campaign treasurer.
- (4) Contributions to a political party committee, provided the campaign funds are not used to support or oppose candidates for elective office. However, the campaign funds may be used by a political party committee to conduct partisan voter registration,

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partisan get-out-the-vote activities, and slate mailers as that term is defined in Section 82048.3.

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- (5) Contributions to support or oppose any candidate for federal office, any candidate for elective office in a state other than California, or any ballot measure.
- (6) The payment for professional services reasonably required by the committee to assist in the performance of its administrative functions, including payment for attorney's fees for litigation which arises directly out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer, including, but not limited to, an action to enjoin defamation, defense of an action brought of a violation of state or local campaign, disclosure, or election laws, and an action from an election contest or recount.
- (c) For purposes of this section, the payment for, or the reimbursement to the state of, the costs of installing and monitoring an electronic security system in the home or office, or both, of a candidate or elected officer who has received threats to his or her physical safety shall be deemed an outstanding campaign debt or elected officer's expense, provided that the threats arise from his or her activities, duties, or status as a candidate or elected officer and that the threats have been reported to and verified by an appropriate law enforcement agency. Verification shall be determined solely by the law enforcement agency to which the threat was reported. The candidate or elected officer shall report any expenditure of campaign funds made pursuant to this section to the Commission. The report to the Commission shall include the date that the candidate or elected officer informed the law enforcement agency of the threat, the name and the telephone number of the law enforcement agency, and a brief description of the threat. No more than five thousand dollars (\$5,000) in surplus campaign funds may be used, cumulatively, by a candidate or elected officer pursuant to this subdivision. Payments made pursuant to this subdivision shall be made during the two years immediately following the date upon which the campaign funds become surplus campaign funds. The candidate or elected officer shall reimburse the surplus fund account for the fair market value of the security system no later than two years immediately following the date upon which the campaign funds became surplus campaign funds. The campaign funds become surplus campaign funds upon sale of the property on which the system is installed,

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or prior to the closing of the surplus campaign fund account, whichever comes first. The electronic security system shall be the property of the campaign committee of the candidate or elected officer.

SEC. 13. Section 90003 of the Government Code is amended to read:

90003. (a) In addition to the audits and investigations required by Section 90001, the Franchise Tax Board and the Commission may make investigations and audits with respect to any reports or statements required by Chapter 4 (commencing with Section 84100), Chapter 5 (commencing with Section 85100), or Chapter 6 (commencing with Section 86100).

- (b) (1) Nothing in this chapter shall be construed to prohibit the Commission from undertaking any audit authorized by this section prior to the date of the election or prior to the date upon which the report or statement is required to be filed. A candidate or committee shall, during the audit, make all relevant records available for immediate review by the Commission.
- (2) A person who is subject to an audit authorized by this section may contest the performance of the audit or an order issued by the Commission as a result of an audit by seeking a writ of mandate. Venue for the proceeding shall be exclusively in the County of Sacramento. The action shall be given priority over all other civil matters.
- (3) In addition to any other remedies available to the Commission, including injunctive relief pursuant to Section 91003, the Commission may seek an injunction pursuant to Title 7 (commencing with Section 501) of Part 2 of the Code of Civil Procedure to compel a person who is subject to an audit authorized by this section to cooperate with the Commission in the performance of the audit or to compel compliance with an order of the Commission resulting from the audit. Notwithstanding any other law, an appeal of an injunction issued in favor of the Commission shall not result in a mandatory stay pending the resolution of the appeal. A stay of an injunction pending resolution of the appeal may be ordered at the discretion of the court issuing the injunction.
- SEC. 14. Section 90005 of the Government Code is amended to read:

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90005. No member, employee, or agent of the Franchise Tax Board or the Commission shall divulge or make known in any manner any particulars of any record, documents, or information which he receives by virtue of this chapter, except in furtherance of the work of the Franchise Tax Board or in connection with any court proceeding or any lawful investigation of any agency.

SEC. 15. Section 91003 of the Government Code is amended to read:

91003. (a) Any person residing in the jurisdiction, including the Commission, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this title. The court may in its discretion require any plaintiff other than the Commission to file a complaint with the Commission prior to seeking injunctive relief. The court may award to a plaintiff or defendant who prevails his costs of litigation, including reasonable attorney's fees.

(b) Upon a preliminary showing in an action brought by a person residing in the jurisdiction that a violation of Article 1 (commencing with Section 87100), Article 4 (commencing with Section 87400), or Article 4.5 (commencing with Section 87450) of Chapter 7 of this title or of a disqualification provision of a Conflict of Interest Code has occurred, the court may restrain the execution of any official action in relation to which such a violation occurred, pending final adjudication. If it is ultimately determined that a violation has occurred and that the official action might not otherwise have been taken or approved, the court may set the official action aside as void. The official actions covered by this subsection include, but are not limited to orders, permits, resolutions and contracts, but do not include the enactment of any state legislation. In considering the granting of preliminary or permanent relief under this subsection, the court shall accord due weight to any injury that may be suffered by innocent persons relying on the official action.

SEC. 12. Section 90009 is added to the Government Code, to read:

90009. (a) To further the purposes identified in Section 90008, the Commission may seek injunctive relief in a superior court to compel disclosure consistent with this title.

(b) A court shall grant expedited review to an action filed pursuant to subdivision (a) as follows:

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- 1 (1) The court shall conduct an expedited hearing with an 2 opportunity for the defendant to respond.
 - (2) Briefs of the parties shall be required pursuant to an expedited schedule.
 - (c) A superior or appellate court may, at its discretion, grant a stay of an order granting relief pursuant to subdivision (a).

7 SEC. 16.

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- SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution.
- However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

22 SEC. 17.

23 SEC. 14. The Legislature finds and declares that this bill 24 furthers the purposes of the Political Reform Act of 1974 within 25 the meaning of subdivision (a) of Section 81012 of the Government 26 Code.